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Chapter 11 Trustee for the Bankruptcy Estate of  
The Litigation Practice Group

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

In re:  
  
THE LITIGATION PRACTICE GROUP P.C.,  
  
Debtor.

Case No. 8:23-bk-10571-SC  
Adv. Proc. No. 8:23-ap-01046-SC  
Chapter 11

**NOTICE OF CHAPTER 11 TRUSTEE,  
RICHARD MARSHACK’S MOTION FOR  
ORDER APPROVING COMPROMISE OF  
CONTROVERSY PURSUANT TO  
FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 9019 AS TO DEFENDANT  
MAVERICK BANKCARD, INC.**

Date: March 13, 2024  
Time: 11:00 a.m.  
Judge: Hon. Scott C. Clarkson  
Place: Courtroom 5C  
411 West Fourth Street  
Santa Ana, California 92701

1           **PLEASE TAKE NOTICE THAT**, on March 13, 2024, Chapter 11 Trustee, Richard A.  
2 Marshack (“Trustee”) filed a Motion for Approval of a Settlement Agreement with Defendant  
3 Maverick Bankcard, Inc. (“Maverick”) under Federal Rule of Bankruptcy Procedure 9019 (the  
4 “Motion”) and hereby moves for an order that finds and directs as follows:

5           1.       The Motion is granted.  
6           2.       Notice of Motion was adequate and proper;  
7           3.       The Court reserves jurisdiction to determine any dispute arising in connection with the  
8 Proposed Settlement;

9           4.       The Motion is made pursuant to Section 105 of Title 11 of the United States Code and  
10 Rule 9019 of the Federal Rules of Bankruptcy Procedure on the grounds that, in Trustee’s sound  
11 business judgment, the Proposed Stipulation is in the best interests of the consumer clients, the Estate  
12 and all creditors, including consumer creditors. As a result, Trustee seeks Court approval of the  
13 proposed comprise of claims as against Maverick, the salient terms of the Settlement Agreement  
14 (“Agreement”) are summarized<sup>1</sup> as follows:

- 15           a.       This Agreement shall be effective on the date the Bankruptcy Court enters an  
16                   order approving this Agreement (the “Effective Date”). Trustee agrees to  
17                   promptly seek entry of an order approving this Agreement. Exhibit A at ¶ 1.  
18           b.       As of the Effective Date, Maverick may recoup, setoff, or otherwise retain and  
19                   apply funds in the Reserve to satisfy and pay the Maverick Claim to the extent  
20                   that it is liquidated as of the Effective Date, and the automatic stay provided  
21                   for under Section 362(a) of the Bankruptcy Code, to the extent applicable, shall  
22                   be modified solely to permit such recoupment and/or setoff, but shall otherwise  
23                   remain in effect for all purposes. Exhibit A at ¶ 2.

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27 \_\_\_\_\_  
28 <sup>1</sup> The Proposed Settlement contains additional terms, and this summary is provided for ease of  
reference only. All capitalized terms not defined herein shall have the same meaning ascribed to them  
in the Settlement Agreement.

- 1 c. Promptly following the Effective Date, and following its recoupment and  
2 applications of funds as provided above, Maverick shall release and pay over  
3 to Trustee any and all funds remaining in the Reserve, consisting of, (a) the  
4 \$48,180.27 that Maverick unknowingly held post-petition, and (b) the  
5 difference remaining after the funds required to recoup the Maverick Claim, to  
6 the extent that it is fixed and liquidated as of the Effective Date, are deducted  
7 from the \$628,343.18 held in the Reserve as of the Petition Date. Exhibit A at  
8 ¶ 3.
- 9 d. To the extent that any portion of the Maverick Claim that is currently  
10 contingent and unliquidated shall become fixed and liquidated after the  
11 Effective Date, Maverick shall have an unsecured claim and be required to file  
12 a timely Proof of Claim in the Bankruptcy Case. Exhibit A at ¶ 4.
- 13 e. The Court shall maintain jurisdiction over Maverick for the sole purpose of  
14 enforcement of the Preliminary Injunction until such time as the Court orders  
15 otherwise. Exhibit A at ¶ 9.

16 The Settlement Agreement requires Maverick to release funds remaining in Debtor, The  
17 Litigation Practice Group's ("LPG") Reserve Fund to Trustee; grants limited relief from the automatic  
18 stay to allow Maverick to exercise rights to recoupment and/or set off; and allows Maverick to file an  
19 unsecured deficiency proof of claim. **In return, the Trustee will agree to the dismissal without**  
20 **prejudice of Defendant, Maverick Bankcard, Inc. from Adversary Proceeding No. 8-23-ap-**  
21 **01046-SC.**

22 **NOTICE IS FURTHER GIVEN** that a hearing to consider the Motion will take place before  
23 the Honorable Scott C. Clarkson in Courtroom 5C of the United States Bankruptcy Court, located at  
24 411 West Fourth Street, Santa Ana, California 92701, on **March 13, 2024 at 11:00 a.m.**

25 **NOTICE IS FURTHER GIVEN** that written opposition to the Motion must be filed with  
26 the Court no later than **February 28, 2024.**

27 **NOTICE IS FURTHER GIVEN** that any written reply must be filed with the Court no later  
28 than **March 6, 2024.**



## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

DINSMORE & SHOHL LLP  
655 West Broadway, Suite 800  
San Diego, California 92101

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF CHAPTER 11 TRUSTEE, RICHARD MARSHACK'S MOTION FOR ORDER APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 AS TO DEFENDANT MAVERICK BANKCARD, INC.**

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On February 16, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Keith Barnett on behalf of Defendant Payliance, LLC	keith.barnett@troutman.com kelley.wade@troutman.com
Eric Bensamochan on behalf of Interested Party Courtesy NEF	eric@eblawfirm.us G63723@notify.cincompass.com

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On February 16, 2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Tony Diab  
1278 Glenneyre Street  
Laguna Beach, California 92651

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on February 16, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**VIA FEDERAL EXPRESS – JUDGE'S COPY**

Honorable Scott C. Clarkson  
United States Bankruptcy Court. Central District of California  
411 West Fourth Street, Suite 5130 / Courtroom 5C  
Santa Ana, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 16, 2024      Nicolette D. Murphy  
Date                      Printed Name

/s/ *Nicolette D. Murphy*  
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

Christopher Celentino on behalf of Plaintiff Richard A. Marshack	christopher.celentino@dinsmore.com caron.burke@dinsmore.com
Christopher Celentino on behalf of Trustee Richard A Marshack (TR)	christopher.celentino@dinsmore.com caron.burke@dinsmore.com
Leslie A Cohen on behalf of Defendant Lisa Cohen	leslie@lesliecohenlaw.com jaime@lesliecohenlaw.com clare@lesliecohenlaw.com
Leslie A Cohen on behalf of Defendant Rosa Bianca Lori	leslie@lesliecohenlaw.com jaime@lesliecohenlaw.com clare@lesliecohenlaw.com
Leslie A Cohen on behalf of Interested Party Courtesy NEF	leslie@lesliecohenlaw.com jaime@lesliecohenlaw.com clare@lesliecohenlaw.com
Michael T Delaney on behalf of Defendant Fidelity National Information Services, Inc. dba FIS	mdelaney@bakerlaw.com tbreedon@bakerlaw.com
Jeremy B. Freedman on behalf of Plaintiff Richard A. Marshack	jeremy.freedman@dinsmore.com nicolette.murphy@dinsmore.com
Jeremy B. Freedman on behalf of Trustee Richard A. Marshack (TR)	jeremy.freedman@dinsmore.com nicolette.murphy@dinsmore.com
Christopher Ghio on behalf of Plaintiff Richard A. Marshack	christopher.ghio@dinsmore.com nicolette.murphy@dinsmore.com deamira.romo@dinsmore.com
Christopher Ghio on behalf of Trustee Richard A. Marshack (TR)	christopher.ghio@dinsmore.com nicolette.murphy@dinsmore.com deamira.romo@dinsmore.com
Eric D Goldberg on behalf of Defendant Stripe, Inc.	eric.goldberg@dlapiper.com eric-goldberg-1103@ecf.pacerpro.com
Richard H Golubow on behalf of Creditor Debt Validation Fund II, LLC	rgolubow@wghlawyers.com jmartinez@wghlawyers.com svillegas@wghlawyers.com
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Meredith King on behalf of Interested Party Courtesy NEF	mking@fsl.law ssanchez@fsl.law jwilson@fsl.law
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Daniel A Lev on behalf of Defendant LGS Holdco, LLC	daniel.lev@gmlaw.com cheryl.caldwell@gmlaw.com dlev@ecf.courtdrive.com
Daniel A Lev on behalf of Interested Party Courtesy NEF	daniel.lev@gmlaw.com cheryl.caldwell@gmlaw.com dlev@ecf.courtdrive.com
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Kathleen P. March on behalf of Defendant Jayde Trinh ( <i>DISMISSED</i> )	kmarch@bkylawfirm.com kmarch3@sbcglobal.net kmarch@sbcglobal.net
Richard A Marshack (TR)	pkraus@marshackhays.com rmarshack@iq7technology.com ecf.alert+Marshack@titlexi.com
Kenneth Miskin on behalf of U.S. Trustee United States Trustee (SA)	Kenneth.M.Miskin@usdoj.gov
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Zev Shechtman on behalf of Interested Party Morning Law Group, P.C.	zs@danninggill.com danninggill@gmail.com zshechtman@efc.inforuptcy.com
Howard Steinberg on behalf of Defendant BankUnited, N.A	steinbergh@gtlaw.com pearsallt@gtlaw.com howard-steinberg-6096@ecf.pacerpro.com
Andrew Still on behalf of Interested Party Courtesy NEF	astill@swlaw.com kcollins@swlaw.com
Kelly Sweeney on behalf of Defendant Fidelity National Information Services, Inc. dba FIS	kelly@ksgklaw.com
Kelly Sweeney on behalf of Defendant Worldpay, LLC	kelly@ksgklaw.com

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United States Trustee (SA)	ustpreion16.sa.ecf@usdoj.gov
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